

**SEC. 372. AUTHORITY FOR DISBURSING OFFICERS TO SUPPORT USE OF AUTOMATED TELLER MACHINES ON NAVAL VESSELS FOR FINANCIAL TRANSACTIONS.**

Section 3342 of title 31, United States Code, is amended by adding at the end the following new subsection:

“(f) With respect to automated teller machines on naval vessels, the authority of a disbursing official of the United States Government under subsection (a) also includes the following:

“(1) The authority to provide operating funds to the automated teller machines.

“(2) The authority to accept, for safekeeping, deposits and transfers of funds made through the automated teller machines.”.

10 USC 113 note. **SEC. 373. USE OF SMART CARD TECHNOLOGY IN THE DEPARTMENT OF DEFENSE.**

(a) DEPARTMENT OF NAVY AS LEAD AGENCY.—The Department of the Navy shall serve as the lead agency for the development and implementation of a Smart Card program for the Department of Defense.

(b) COOPERATION OF OTHER MILITARY DEPARTMENTS.—The Department of the Army and the Department of the Air Force shall each establish a project office and cooperate with the Department of the Navy to develop implementation plans for exploiting the capability of Smart Card technology as a means for enhancing readiness and improving business processes throughout the military departments.

Deadlines.  
Establishment. (c) SENIOR COORDINATING GROUP.—(1) Not later than November 30, 1999, the Secretary of Defense shall establish a senior coordinating group to develop and implement—

(A) Department-wide interoperability standards for use of Smart Card technology; and

(B) a plan to exploit Smart Card technology as a means for enhancing readiness and improving business processes.

(2) The senior coordinating group shall be chaired by a representative of the Secretary of the Navy and shall include senior representatives from each of the Armed Forces and such other persons as the Secretary of Defense considers appropriate.

Reports. (3) Not later than March 31, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing a detailed discussion of the progress made by the senior coordinating group in carrying out its duties.

(d) ROLE OF DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICE.—The senior coordinating group established under subsection (c) shall report to and receive guidance from the Department of Defense Chief Information Office.

(e) INCREASED USE TARGETED TO CERTAIN NAVAL REGIONS.—Not later than November 30, 1999, the Secretary of the Navy shall establish a business plan to implement the use of Smart Cards in one major Naval region of the continental United States that is in the area of operations of the United States Atlantic Command and one major Naval region of the continental United States that is in the area of operations of the United States Pacific Command. The regions selected shall include a major fleet concentration area. The implementation of the use of Smart Cards in each region shall cover the Navy and Marine Corps bases and

all non-deployed units in the region. The Secretary of the Navy shall submit the business plan to the congressional defense committees.

(f) **FUNDING FOR INCREASED USE OF SMART CARDS.**—Of the funds authorized to be appropriated for the Navy by section 102(a)(4) or 301(2), the Secretary of the Navy—

(1) shall allocate such amounts as may be necessary, but not to exceed \$30,000,000, to ensure that significant progress is made toward complete implementation of the use of Smart Card technology in the Department of the Navy; and

(2) may allocate additional amounts for the conversion of paper-based records to electronic media for records systems that have been modified to use Smart Card technology.

(g) **DEFINITIONS.**—In this section:

(1) The term “Smart Card” means a credit card-size device, normally for carrying and use by personnel, that contains one or more integrated circuits and may also employ one or more of the following technologies:

- (A) Magnetic stripe.
- (B) Bar codes, linear or two-dimensional.
- (C) Non-contact and radio frequency transmitters.
- (D) Biometric information.
- (E) Encryption and authentication.
- (F) Photo identification.

(2) The term “Smart Card technology” means a Smart Card together with all of the associated information technology hardware and software that comprise the system for support and operation.

(h) **REPEAL OF REQUIREMENT FOR AUTOMATED IDENTIFICATION TECHNOLOGY OFFICE.**—Section 344 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 1977; 10 U.S.C. 113 note) is amended by striking subsection (b).

**SEC. 374. REPORT ON DEFENSE USE OF SMART CARD AS PKI AUTHENTICATION DEVICE CARRIER.**

(a) **REPORT REQUIRED.**—Not later than February 1, 2000, the Secretary of Defense shall submit to Congress a report evaluating the option of the Department of Defense using the Smart Card as a Public-Private Key Infrastructure authentication device carrier. The report shall include the following:

Deadline.

(1) An evaluation of the advantages and disadvantages of using the Smart Card as a PKI authentication device carrier for the Department of Defense.

(2) A description of other available devices that could be readily used as a PKI authentication device carrier.

(3) A comparison of the cost of using the Smart Card and other available devices as the PKI authentication device carrier.

(b) **DEFINITIONS.**—In this section:

(1) The term “Smart Card” means a credit card-size device, normally for carrying and use by personnel, that contains one or more integrated circuits and may also employ one or more of the following technologies:

- (A) Magnetic stripe.
- (B) Bar codes, linear or two-dimensional.
- (C) Non-contact and radio frequency transmitters.

- (D) Biometric information.
- (E) Encryption and authentication.
- (F) Photo identification.

(2) The terms “Public-Private Key Infrastructure authentication device carrier” and “PKI authentication device carrier” mean a device that physically stores, carries, and employs electronic authentication or encryption keys necessary to create a unique digital signature, digital certificate, or other mark on an electronic document or file.

## Subtitle I—Other Matters

### SEC. 381. AUTHORITY TO LEND OR DONATE OBSOLETE OR CONDEMNED RIFLES FOR FUNERAL AND OTHER CEREMONIES.

Regulations.

(a) **AUTHORITY.**—Subsection (a) of section 4683 of title 10, United States Code, is amended to read as follows:

“(a) **AUTHORITY TO LEND OR DONATE.**—(1) The Secretary of the Army, under regulations prescribed by the Secretary, may conditionally lend or donate excess M-1 rifles (not more than 15), slings, and cartridge belts to any eligible organization for use by that organization for funeral ceremonies of a member or former member of the armed forces, and for other ceremonial purposes.

“(2) If the rifles to be loaned or donated under paragraph (1) are to be used by the eligible organization for funeral ceremonies of a member or former member of the armed forces, the Secretary may issue and deliver the rifles, together with the necessary accoutrements and blank ammunition, without charge.”.

(b) **CONDITIONS AND DEFINITION.**—Such section is further amended by adding at the end the following new subsections:

“(c) **CONDITIONS ON LOAN OR DONATION.**—In lending or donating rifles under subsection (a), the Secretary shall impose such conditions on the use of the rifles as may be necessary to ensure security, safety, and accountability. The Secretary may impose such other conditions as the Secretary considers appropriate.

“(d) **ELIGIBLE ORGANIZATION DEFINED.**—In this section, the term ‘eligible organization’ means—

“(1) a unit or other organization of honor guards recognized by the Secretary of the Army as honor guards for a national cemetery;

“(2) a law enforcement agency; or

“(3) a local unit of any organization that, as determined by the Secretary of the Army, is a nationally recognized veterans’ organization.”.

(c) **CONFORMING AMENDMENTS.**—Subsection (b) of such section is amended—

(1) by inserting “RELIEF FROM LIABILITY.—” after “(b)”;

(2) by striking “a unit” and inserting “an eligible organization”; and

(3) by striking “lent” both places it appears and inserting “lent or donated”.

(d) **CLERICAL AMENDMENTS.**—(1) The heading of such section is amended to read as follows: